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May 23, 1977

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"Carter and the End of Liberalism"

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THE WHITE HOUSE

WASHINGTON

May 20, 1977

THE PRESIDENT WAS SEEN.

C  
/

MEMORANDUM FOR THE PRESIDENT - INFORMATION

FROM: JIM FALLOWS *JFW*

ABOUT: Article by Garry Wills

Garry Wills is, at his best, one of the smartest men and finest writers I know of. His Nixon Agonistes, which came out four or five years ago, is not only the best book on Nixon, but also (and more interestingly) an excellent study of the roots of our current politics, economics, and thought. (You may remember that he interviewed you on the plane late in the campaign.)

If you have five minutes, you might be interested in this article, from the New York Review of Books. One thing to note about it is that the New York Review has always been the one-step-ahead-of-the-trend bellweather of the fashionable left. I am sure that an article like this will have much more influence with the ADA crowd than McGovern's speech did, partly because it makes McGovern look like a prisoner of the "old liberal sensibility" and you as a product of a new sensibility.

Attachment

cc.: HAMILTON JORDAN  
(w/attachment)  
JODY POWELL  
(w/attachment)

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# Carter and the End of Liberalism

*America in Our Time*  
by Godfrey Hodgson.  
Doubleday, 564 pp., \$12.95

*The Collapse of Liberal Empire: Science and Revolution in the Twentieth Century*  
by Paul N. Goldstone.  
Yale University Press, 139 pp., \$10.00

*Public Constraint and American Policy in Vietnam*  
by Bruce Andrews.  
International Studies No. 02-042, Sage Publications, 64 pp., \$3.00

Garry Wills

America will come into the full light of the day when all shall know that she puts human rights above all other rights.

—Woodrow Wilson, June 1914

We have reason to fear a moralizing foreign policy. Woodrow Wilson, our premier political gospeler, has not fared well in historical retrospect. So Carter's preachments on human rights raise a shudder, as if a shadow of the Fourteen Points had passed over us.

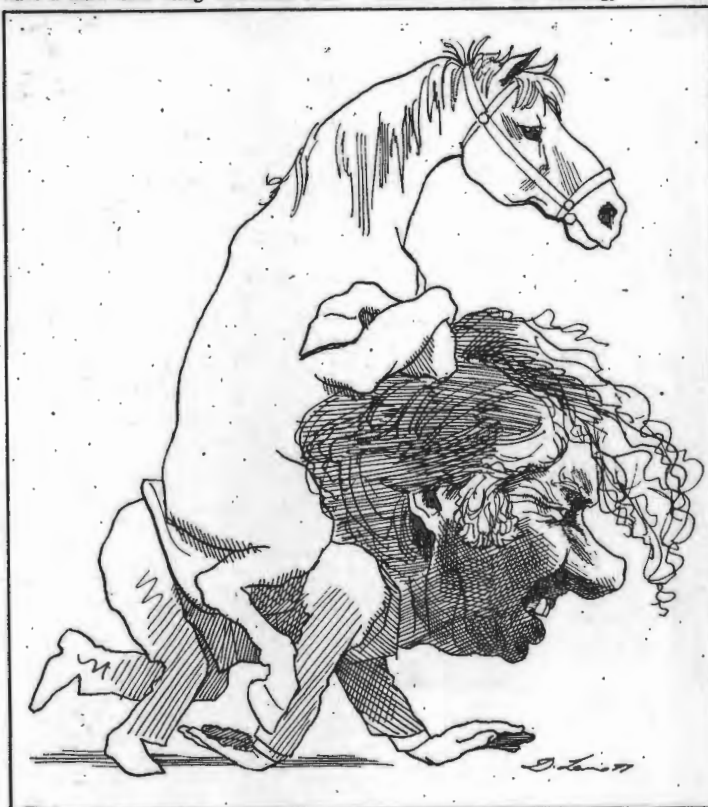
There are disconcerting parallels between the two men's careers. Carter came, fast, out of nowhere. Wilson came out of somewhere—out of Princeton; but came even faster than Carter. The latter spent four years in Georgia's legislature, four more as governor, and a few months as a national party officer. Wilson's first experience of a political campaign came just two years before his election as president. He ran for office only three times in his life, always successfully, and the last two times for our highest office.

Wilson used his "outsider" image as well as Carter has: He was the man above politics, and party, and nation. Carter carries his own suit bag. Wilson not only lugged around his battered portable typewriter, but tapped out his own speeches on it—and love letters, and press releases. Wilson did not settle for a "people's inaugural"—he canceled outright the inauguration ball. He was certain of his attunement with "the people"—he spoke for them, and threatened to go around Congress to reach them—as he went around his board and his alumni at Princeton, around his party and legislature in New Jersey. He even thought he could go around rival Mexican leaders, speaking to and for the peons; and at Versailles he presumed to tell world leaders what their respective people were demanding of them. I thought of Wilson im-

mediately when Carter told the UN he could empathize with Third World countries since he comes from a deprived sector of his own nation.

But these "resemblances," like others that could be listed, just mislead. So far Carter seems, with the possible exception of Eisenhower, the least Wilsonian of recent presidents. In fact, he would have a hard time being Wilsonian even

THE PRESIDENT HAS SEEN. Hodgson knows and profits from the work of some "revisionists" without joining them. Instead, his book becomes part of a growing literature he never cites—that dealing with the end of modern liberalism. This liberalism, foreshadowed with uncanny thoroughness by Wilson, reached its last form when the New Deal was merged with the Cold War—i.e., when state capitalism blended with an ideology of non-



if he wanted to—for reasons indirectly spelled out in Godfrey Hodgson's *America in Our Time*. The book, though hefty, is almost self-effacing. It reads like a college survey text, with the literacy put back in. Once in paperback, it will no doubt be used in many college courses, replacing inadequate books relied on for that purpose now. It simply gets right, without great fuss, the detail and proportion of things like the civil rights movement, student unrest, the stages of our Vietnam engagement. Hodgson is authoritative without being stuffy—he deftly works in bits of personal reminiscence, notes from interviews he took as a journalist in the Sixties.

ideological imperialism. All components of this mixture denied their own reality to begin with; and their combination just multiplied unrealities.

Though the bulk of Hodgson's book deals with the 1960s, he knows that the story really begins in the 1940s—and that it had its roots, back even beyond the New Deal, in the gathering of men around Woodrow Wilson at Versailles in 1919: William Bullitt, Joseph Grew, John Foster and Allen Dulles, Walter Lippmann, Adolf Berle. These young men, with such kindred spirits from the Bull Moose movement as Dean Acheson, would later fight each other, as they squabbled around Wilson's effort

and failure at Versailles. But they were fighting to save Wilsonism, if need be from Wilson himself. They were heirs to the Woodrowian dream—were, that is, what Lloyd Gardner has called our "architects of illusion." They would save the dream by being tough-minded; but tough always in the service of ideals—what Wilson called "high-minded" and "forward-looking" values. They would try to OSS and CIA and FBI and Green Beret the world into safety for democracy. The continuity of their effort is what Hodgson sees as a matter of course and depicts convincingly.

Hodgson does not fall into the error of the first revisionists of cold war history—those liberals appalled by Hiroshima. Such men, following the lead of D.F. Fleming, constructed a mythical Roosevelt whose dream of postwar harmony was betrayed by Harry Truman. Even the later revisionists, who escape such crudities, tend to see betrayal and conspiracy where Hodgson recognizes the logic of Wilsonian liberalism working itself out. The real defense of Truman's decision to drop the bomb is that it was no decision at all. Despite a peripheral few voices of fear, magnified by our later yearning to hear them, the bomb was dropped because it was meant to be dropped, and few men in places of sufficient power could bring themselves to doubt the benignity of our intentions. The same thing would explain our irreversible inertia into Vietnam.

The postwar "end of ideology" really put an end to doubts about our particular dream—the universalizing of the American "system," the containing of the communist world until everyone had the time and opportunity to prefer our "free world." It is typical of Kennedy's version of this dream that he planned covert acts of violence to contain communism while he sent Peace Corps emissaries to convince the world of the beauty of our system.

Our system—not our ideology (we thought we did not have one); not our philosophy (we were "open" to the free market of ideas, not exponents of any one view); not our "ism" (not even Americanism, for our system should be everybody's, not confinable to any one nation—any more than communism could be thought of as nationalistic). Communism—the basic stuff, however bottled in Russia or China or the "captive nations"—was countered, we thought, by nothing more rigid than freedom. It was just *because* communism was a philosophy, an ideology, that it led to slavery. We, by lacking

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such intellectual bondage, were the examples of freedom to all men, and its vindicators before them (or upon them).

This all seems so obvious to most Americans, they still cannot bring themselves to believe that the rest of the world does not arrange reality around these very same poles. Only the brain-washing of slave governments could make people reject our system. Yet a world poll, taken in what Kennedy repeatedly called "the free world," showed last year that most citizens, even outside the communist sphere, do not want America's system, despite our prosperity.

Of course, what others see as our "system" is capitalism, by which they normally mean a competitive individualism. Again, Americans cannot see what is wrong with that. And both sides are discussing a nonexistent thing. America's system has, in practice, been one of state capitalism. Our "conservatives" are entrepreneurs of mobility and expansion—their "stake" in society is that least conservative thing, capitalism; and the state, lacking an establishment of church or nobles to uphold, has supported and urged on the paradoxical "robber barons" of our ruling class, our licensed marauders. The textbook example of this was, of course, the Gilded Age of railroad Senators, gunboat Diplomats, and corporation Judges. But America's second greatest time of business prosperity (underwritten by the government) was that explosion out of the Depression, World War II, when 90 percent of the fat new government contracts went to ten corporations.

To uphold the myth of a free market, the pro-business controls of the Forties were thought of as temporary war measures. Afterward, our system ran on cold war energies and contracts, with Keynesian "tunings" of the market (not the terrible "controls"), and we took this as a vindication of "freedom." When we restored (with our state money) the economy of West Germany on its former industrial base, this was called an economic miracle demonstrating that "the market" succeeds.

Meanwhile, the real economic miracle took place in Russia—a huge country incompletely industrialized even before the war, with its urban centers ravaged by the war, in which some 20 million people died. In less time than it took America to settle the West, but by similar methods of state capitalism, Russia became a superpower. Its concentration on a war economy repeated the devices by which America finally licked the Depression in the 1940s—and left us with two state-capitalist systems, expansive, backed by military power, each assuming its own righteousness and the other's evil.

Of course, the minute one makes these observations, one is accused of saying "there is no difference" between Russia and America. That is like saying there was no difference between nineteenth-century Spain and nineteenth-century France because they were both Catholic. A thousand things temper even as rigid and long-standing and far-reaching an "ideology" as Catholicism (national ethos, family tradition, local circumstance, stage of development, language, contact with outsiders, etc.)—just as a thousand real things differentiate siblings from each other. Yet it is as important to notice the continuities as the discontinuities between nine-

teenth-century Catholic countries.

In the same way, Russia and America (and China, now, to some extent) share a state-capitalist system that makes professions of radically different economies hollow—at least as each side tries to cast that distinction: our mythical free-market, against their mythical workers' socialism. Given this observation, all other differences must be weighed on their own terms. Russia differs from America (or, for that matter, from China) by national tradition, social bonds, and constitutional history. Russia is as authoritarian by tradition as China—but eccentric too; not nearly as puritanical; a bit hedonist, in fact, and tending to buffoonery. But *not* individualist, as America is. Even a dissident like Solzhenitsyn is simply a different kind of authoritarian.

Grant all these differences—including the important lack of a framework for free speech in the entire legal history of

Russia—and one comes to new appreciation of the absurdity of each side's account of the contrast. And the trouble is that those differences—"socialism" vs. "freedom"—are put to the test in every conceivable arena, from the refrigerators of Nixon's kitchen debate, through muscle-flexing at the Olympics, to the way we chased each other around the moon. These graded points of contrast are presented as equal demonstrations of difference between the two worlds. Our space programs are the perfect example of state capitalism in both cases. Russian subvention of athletes repeats in near-parody our state-capitalist approach to universal education.\* And the Russian lag in con-

\*In education, for example, each society's stated values get almost exactly reversed—we distribute training more broadly, they concentrate on the skills of a relatively few individuals.

sumer goods can remind us of the repressive labor policies of our Gilded Age, when capital had to be thrown into one form or another of expansion westward.

I state here these truisms (which only seem paradoxes to Americans) because Hodgson, a friendly outsider in this country, sees right through our liberal Emperor's clothes and reports what he sees with stunning clarity. He sees the end of liberalism; and he knows this is not a failure of the left, but a failure to have a left. (There is nothing less deliberately funny than the posing of our CIA liberals as brave dissenters.) Liberalism has failed because its "system" is failing, in both its chosen spheres—the economic and the political.

The economic system was based on the assumption of two earthly infinities—infinite growth and the infinite desire for growth products. Both are

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challenged now, in fact and theory. We no longer have a continent to explode across (as in the 1870s). Nor a world (as in the 1940s). Not even a universe; though John F. Kennedy tried to make our "new frontier" the sterile surface of the moon.

The efficient rapacity of our raider-rulers has made consumption expand at a dizzying rate, equaled only by the rate at which resources diminish—air, earth, fuel, and water. At the same time, the assumption of consumer-want has run up against a psychological dissatisfaction with competitive ranking (cf. Fred Hirsch's *Social Limits to Growth*, reviewed here March 3, 1977), and a growing realization that social unrest cannot be bought off with the hopes and rewards of indefinite expansion. We must face in express terms the problem that growth was meant to avoid, or to solve by automatic increments—the problem of distribution. The just division of a smaller and smaller product is a notion still so unfamiliar to Americans that even raising it causes talk of being un-American, a "doom-sayer," a "narcissist."

The failure of our political system was signaled in the 1960s when the very term "system" moved over in popular use from the sphere of economics to that of politics. We first heard the injunction to "work within the system" when that system faced direct challenge from civil rights demonstrators, antiwar protestors, and draft-resisters. The injunction meant: work within the electoral system. If you want change, vote for it, run a candidate for it, support a party for it. The free market of men and ideas would produce the best rulers and policies. But secret wars and covert operations revealed, in vivid ways, the dull perennial truth of our politics—that major decisions are untouchable by the electoral process. Elections mute debate, remove important questions as divisive. Just as the way to get Americans into a war is first to get elected by promising not to get them into a war (1916, 1940, 1964), so the best way to feed and prolong a war is to put it to sleep in two-year cycles, removing it from electoral pressures (1966, 1968, 1970, 1972).

Hodgson comes to us with no prescriptions or predictions; he does not even use other authors who have seen from differing angles the end of modern liberalism—e.g., Fred Hirsch, Theodore Lowi, Robert Paul Wolff, Lloyd Gardner. This may make his testimony more convincing. His analysis is simply description of a very clear-eyed sort. And the provocative (but very poorly written) essay by Paul N. Goldstone shows how limited theoretical prescription can be while diagnosis is still so hotly debated. Goldstone pulls together random verdicts on liberalism's failure, and then hopes that science—submissive to the structure of reality—may save us, using the university system as its social instrument. (Goldstone generously quotes from my *Nixon Agonistes*; but ignores in print the chapter—"Liberals"—that is both closest to his thought and farthest from it. There I offer the university's structure as the supreme example of liberal self-delusion.)

Goldstone rightly sees that modern liberalism is an attempt to evade responsibility and power by having a system—a process—work things out automatically. If the system is fair, all must submit to it, though its product looks distinctly fishy. A prize sample of the evasion of responsibility is given us in Bruce An-

draws's monograph on "public constraint." He shows how our rulers evoke a presumed counterstress to their own views as a way of justifying, mechanically, a vector-product of social forces—e.g., support for the Cuban missile ultimatum, or Vietnam war moves, to head off right-wing extremism.

The war in Vietnam was "legitimate," which made it unnecessary to discuss its morality. What Goldstone discusses as the problem of power is more accurately identified as the problem of elites. Society is, in fact, led and shaped and ruled by elites. Goldstone does not like the power elite of state capitalism, so he turns to the knowledge elite. He does not recognize the existence of a moral elite. Dr. King wrought more, and more beneficial, changes in American society than did, say, John F. Kennedy. From the time of the abolitionists, much of the power to alter our liberal society has come from religions or philosophies that do not recognize the sacredness of the liberal system—that challenge it by "direct ac-



tion," that refuse to let morality be displaced by legitimacy. What American political thought needs, in place of a liberalism that denied in theory the role of elites, is precisely a theory of elites—not only of who rules, but of who should rule, and how.

We have wandered far from Jimmy Carter—and Hodgson, of course, does not bring his narrative up to last fall's election campaign. But if Hodgson is right, then such a campaign was not a freak, mere showmanship, but a sign of failure in the system. If liberalism is indeed ailing, then we should expect just what we saw in that campaign—disillusionment with electoral politics; yearning for moral statement, cutting through arguments about the mechanics of legitimacy; an expression of national humility—a recognition of human and ecological limits. And we saw this, remember, not only in Carter's campaign but, in varying degrees, among the workers for Jerry Brown and Fred Harris and Mo Udall. This is popularly explained (to be dismissed) as a "post-Watergate" phenomenon. The merely personal triumph of Jimmy Carter is made to depend on the merely personal failure of Richard Nixon. But Nixon's own success was a sign, as I have argued elsewhere, of crack-up in the system—an attempt to restore it on fundamentalist terms. Nixon was not just a freak or sport of our politics; and neither is Carter.



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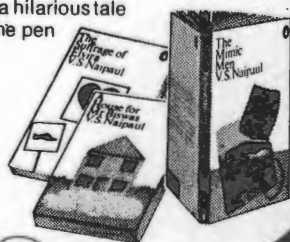
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of limit that separates him from modern liberals. He knows it is nonsense to think we have nothing to fear but fear itself. We have evil to fear.

The same fear of evil seems to prompt Carter's unconventionally fervent talk of eliminating nuclear weapons. American rulers, in recent decades, have been the Hiroshima Liberals. Hiroshima was the moment when total war was turned into a way of waging total peace. Wilson entered World War I, late and lamely, not because we were needed, or had ceased to be a people "too proud to fight"; but to lend the world America's virtue in working out peace arrangements. In World War II, total surrender was not enough to satisfy our armed idealists. Peace would come as the demonstration of unrivaled (unrivaleable) power to lead the free world, efficiency setting the seal of virtue on our conquest, nothing succeeding like this excess. Hiroshima was the torch of peace—Churchill, in the Fifties, said it was the only thing that had kept us from World War III.

Even when Russia's swift nuclear progress made our bomb no longer the warrantor of peace, liberalism found it hard to renounce. If the bomb could be invented, it could be mastered. If it could be mastered, it had to be embraced—like the moon—because "it was there." There is something profoundly reluctant, in the nature of liberalism itself, to surrendering the fruits of science and progress and knowledge. After all, for over a century we had been taught that these products would not only be good, but would—by succeeding—bear the proof of goodness on their face.

Carter seems outside all that kind of inevitable talk about the good succeeding. Failed people do not talk that way. He inveighs against the evil of nuclear knowledge with a certain preacher's tone that has been called naive. Yet he knows more about nuclear processes than any other president in our history. What puzzles those who knew previous leaders is his apparent lack of adoration for his own field of expertise.

Carter has been accused of saying too much and too little, in public, of his first nuclear offer to the Russians. He has been accused of demanding too much (in cutting back Soviet ICBMs) and too little (in holding onto our Cruise missile). He sprang too much too soon on the Russians. But how do you ease up to the same position of proposing a cutback? SALT had not envisioned this sin against progress—it would have coordinated "progress" by putting a "cap" on either side. It did not flirt with the heresy of a large-scale cutback. Carter does.

Liberal critics think Carter may be using the Cruise missile to prevent cutbacks. I see no clear evidence for that. Admittedly, he asked for more than he gave in the first go-round of Russian negotiation. What else could he do? Scoop Jackson, now about to be overshadowed by all five or so Pat Moynihans, resented even the cap put on weapons by SALT. What chance of Senate support would Carter have if he offered, at the outset, to give up Cruise missiles in his cutback scheme? His only bargaining tool for a reduction of Russian "muscle" is a deliberate slowing of American "reflexes." But he cannot promise that, without some tough prior bargaining. His treatment of Russian dissidents suggests not only that Carter

wants to help them, but that he realizes how our hawks can use a Solzhenitsyn against arms control.

I do not expect the truly original impulses of our society to come from an elected president. A Kennedy can never be a King. So Carter will not take the lead in dismantling our state capitalism. A businessman himself, he shows no sign of wanting to do that. But his awareness of limit checks the expansive confidence and cult of endless growth that fueled such capitalism in the past. (Southern support for the New Deal was always more populist than liberal, the voice of an entire region's comparative poverty, not a yearning to repair the market.) And Carter does expect a new degree of accountability from business, as we see by his appointment of consumer advocates to important posts in the departments. His is the first administration to take Naderism seriously. His Law Day speech of 1974 signaled a concern over government by special interests:

"I see the lobbyists in the state capital filling the halls on occasion. Good people, competent people, the most pleasant, personable, extroverted citizens of Georgia. Those are the characteristics that are required for a lobbyist. They represent good folks. But I tell you that when a lobbyist goes to represent the Peanut Warehousemen's Asso-



ciation of the Southeast, which I belong to, which I helped to organize, they go there to represent the peanut warehouseman. They don't go there to represent the customers of the peanut warehouseman.

When the State Chamber of Commerce lobbyists go there, they go there to represent the businessman of Georgia. They don't go there to represent the customers of the businessman of Georgia. When your own organization is interested in some legislation there in the capital, they're interested in the welfare or prerogatives or authority of the lawyers. They are not there to represent in any sort of exclusive way the clients of the lawyers. The American Medical Association and its Georgia equivalent—they represent the doctors, who are fine people. But they certainly don't represent the patients of the doctors. As elected governor, I feel that responsibility."

I wrote here, last year, that I feared Carter might become a great president, like Roosevelt. It was too much to hope, then, that he would be a "failure" like Eisenhower. But already he gives a hint or two of some new possibility—that he might not be a liberal "success" or a nonliberal failure, but the first of our post-liberal presidents. The odds are long against his checking the power of corporate bureaucracy. But he is hard to explain unless we suppose that he is trying to do just that.

(This is the second part of a two-part article.)



THE WHITE HOUSE  
WASHINGTON

May 23, 1977

MR. PRESIDENT:

RE: White House Conference on the  
Handicapped

1. Per Secretary Califano's suggestion, Carl Kirschner, a sign language interpreter, will ride with you to the Conference at the Sheraton Park. Kirschner is President of Interpreters for the Deaf, a non-profit clearing house group.
2. Secretary Califano will introduce you at the Conference.
3. One of the ABC technicians' union (NABET, the mini-cam operators) will be picketing at the Hotel. By prior agreement, however, the picketing should be confined to a separate entrance assigned to ABC and should not affect your appearance.
4. The advanceman for this event is Mike Casey, a volunteer who worked in the campaign (he organized the Alexandria, Virginia Rally in late October at which you and Mrs. Carter appeared).
5. Speaker O'Neill will be attending, along with several other Congressional representatives.

TIM SMITH

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON  
May 23, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *fw*  
SUBJECT: Handicapped Conference

Here is another draft of the handicapped speech, cut as you indicated and slightly edited in places.

There are two recommendations I would like to make:

First, I think you would do better to look through this text, underline the points you want to make, and then speak extemporaneously than to read the text. There is no compelling reason to follow a script in this case, and I think your statements will sound more heartfelt and effective if you speak informally.

Second, I am suspicious about the sign-language ending. Only a few of the people in the audience will be deaf, and for their purposes there will be a translator to "sign" the whole speech. If you do choose to end this way, I hope you make the point orally too, so the people who aren't deaf will understand.

cc.: STU EIZENSTAT  
FRANK RAINES



I'm glad to be with you tonight as you begin your work.

This is the first White House Conference on Handicapped Individuals, which will point the way to full participation in our society by the 36 million among us who have disabilities.

There's often a tendency to assume that a big national conference in Washington is the only kind of meeting that counts.

That would be a mistake here. You have had a series of successful state conferences which involved thousands of delegates. Many states are changing their attitudes and programs about disabilities as a direct result of your efforts.

Labor and industry can make sure that your good work will have a lasting impact in the private sector.

We live in times when individual rights are challenged or denied in many places around the world. We are trying to lead the way in securing and protecting the rights of the less powerful, and we are committed to guaranteeing the civil rights of the disabled.

For too long, the handicapped have been denied opportunities for education and employment. For too long, they have been stymied by buildings, streets and transportation facilities which could not accommodate them, shut out by a world that thrives on communication but makes

little allowance for those who cannot see or hear, and denied services that they desperately need. For too long, too many have had their futures impaired by a label affixed to them by others.

When I was Governor of Georgia I declared that the time for racial discrimination was over. Tonight I make a similar declaration to you: the time for discrimination against the handicapped is over. All of us will benefit. When the handicapped people of this country are guaranteed full civil rights, the rest of our people will share in their freedom, and we will share in the benefits that those with disabilities will bring to society.

Let me tell you about some of the things we are now doing to enforce Title V of the Rehabilitation Act of 1973, which is the foundation of civil rights laws for handicapped people.

We intend to enforce the job opportunity provisions vigorously.

We will deal with the problem of architectural and transportation barriers. The Transbus is on the way. The federal government has already sponsored millions of dollars worth of research on this vehicle, which does so much to make transportation accessible to the handicapped, and now it is going to be required whenever any new bus purchase is made with federal money.



In addition, new federal buildings are being designed to eliminate barriers to the handicapped, and in the older federal buildings, we are taking down the barriers wherever we can possibly do so.

Last month, Secretary Califano signed the regulations for Section 504 of the Rehabilitation Bill. They require that anyone who receives funds from the Department of Health, Education, and Welfare -- eventually, anyone who receives any federal funds at all -- will have to make certain that their programs are open to people with disabilities.

These regulations say that all new facilities must be barrier-free.

These regulations say that employers cannot refuse to hire a handicapped person, if, by making a reasonable adjustment, that person can do the job.

These regulations say that a handicapped child is just as entitled as any other child to receive a free public school education, and they say that the handicapped child must be included in the regular classroom as far as possible.

These last regulations, the ones that deal with schools, remove a very special kind of barrier -- the barrier that has prevented some of our young people from receiving the educational training they need to pursue useful and independent careers. We cannot afford to waste the talents of any of our people.

These regulations are strong, and they are going to be enforced effectively throughout the federal government. I am asking Joe Califano personally to keep me informed of the way they are being followed.

The federal government affects the lives of handicapped people in ways that go far beyond the issue of civil rights, however. Right now there are more than a hundred federal programs serving the handicapped, and unfortunately many of them have very diverse and conflicting definitions of what "disability" means. One individual might have to deal with five or six different programs to obtain the combination of services needed. As we reorganize the government to make it



more efficient and responsive, we are going to try to eliminate this kind of complexity and confusion.

We are also trying to improve our efforts to prevent and cure disabilities.

Last month I proposed to the Congress a new program to screen poor children for possible medical problems. It would quintuple the number of children who are screened, and treated, by 1982. And we have begun another program to increase the percentage of children who get immunizations from the 65 percent it is now, to at least 90 percent. There are epidemics of diseases in this country today that no child need have. And the complications of these diseases -- which can in many cases be avoided -- are leading to disability and even death.

But no matter how much we do, some persons with disabilities will still never be able to reach true independence. We must help them to grow and learn up to their full potential. We must give them every chance to live in dignity.

You are a diverse group, with sometimes differing interests, but I know that you can still work effectively together. I hope you'll carry that spirit of cooperation over into your dealings with non-handicapped persons as well. You will have to educate them in your needs and your potential. You will have to be patient when they sometimes seem slow to learn, or when their unawareness makes them seem callous.

I hope my choice of Max Cleland to head the Veterans Administration will help in this educational process. Max

shows every day--just by doing his job and seeing that this huge agency really helps those it was created to help -- that being in a wheelchair doesn't keep a person from using his brains, talents, energy and leadership.

As a triple amputee, he has had first hand experience with the programs, facilities and attitudes in his agency. No one could be better equipped to help make government more responsive to the needs of the handicapped. It was his ambition as a youngster to devote his life to government and public service. He has not let himself be deterred by suffering or disappointment, or by well-meaning people who thought he could never realize his dream.

One of the great influences on my life was a little lady named Miss Julia Coleman, who was our school superintendent and my teacher. She was physically crippled and her eyesight was almost gone, but that didn't stop her from using her wonderful mind and heart to open up a world of ideas and experiences to a schoolboy growing up in an isolated farm community. She supervised my exposure to classical literature, art and music. I quoted her in my inaugural address.

She would certainly still have been a good teacher if she had been fortunate enough to have no physical problems. But I have always thought her handicap added to her compassion and understanding, and gave an extra dimension to her teaching.

I look forward to seeing the recommendations that will come out of this Conference. Because we need that extra dimension in government, too.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

130 p.m.

C  
/

THE PRESIDENT HAS SENT

MEETING WITH ZERO-BASE BUDGETING REPRESENTATIVES

Monday, May 23, 1977  
1:30 p.m. (1/2 hour)  
Room #450, OEOB

From: Bert Lance

I. PURPOSE

To address a meeting of the OMB and Executive Branch agency zero-base budgeting representatives to express the President's commitment to zero-base budgeting.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: President's memorandum of April 27, 1977, to the heads of executive departments and agencies asks each to name members of their budget staff to work with OMB as zero-base budgeting representatives. The President expressed a desire to address a meeting of these representatives.
- B. Participants: Zero-base budgeting representatives from OMB and Executive Branch agencies.
- C. Press Plan: White House Press and Photographers Pool.

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### III. PRESIDENTIAL TALKING POINTS

- A. ZBB used to justify all agency budget requests for 1979.
- B. Demanding and needed task.
- C. Critical information source for budgeting and for reorganization.
- D. Zero-base budgeting demands justification of all activities.
  - Tool for insuring annual reassessment of programs.
  - Focus is on the program manager.
  - Budget request is built from decision packages covering every existing or proposed activity.
  - Each package is analyzed in terms of objectives, cost, performance, benefits, and alternatives.
  - Packages ranked in order of priority.
- E. Implemented in Georgia by executive order - major benefits resulted.
  - One central computer system, rather than one in every major department.
  - Georgia patrolmen reassigned to more effective duties.
- F. No instant miracles.
- G. Many concerns often raised.
  - Threatening existing order.
  - Administration and communication become more complicated.
  - Requires more time.
  - Creates large amounts of paperwork.



H. Clear cut benefits will result.

- Better coordinates planning, evaluation, and budgeting.
- Identifies similar activities among different agencies.
- Critically examines all programs - both new and old.
- Broadly expands management participation in planning and budgeting at all levels in an agency.

I. Has my strong support and personal commitment and the strong support of the Secretaries and other agency heads.

J. Key role of ZBB representatives in this process.

- You, not outside consultants, will be focal point of ZBB training and expertise.
- Your commitment and through you the commitment of agency managers at all levels is the key to success.
- Working together, we will insure successful application.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON *GP*

DATE: 19 May 1977

SUBJECT: The Corporate Fund for the Performing Arts at  
Kennedy Center

Attached please find a pamphlet dealing with background on the above group. I have clipped the pages of particular concern.



5:05 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Reception for Board of Governors  
for the Corporate Fund for the  
Performing Arts

Monday - May 23, 1977

5:05 P.M.  
Rose Garden

From: Tim Kraft

I. PURPOSE

To demonstrate the support of you and Mrs. Carter for the efforts of this group of business leaders to raise \$1 million for the Kennedy Center in 1977.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

1. In fiscal 1976, more than 1,500 free events were sponsored by the Kennedy Center, and numerous other productions were attended by low-income people, students and senior citizens through half-price tickets made available by the Kennedy Center.

The Kennedy Center, unlike its counterparts in other countries, operates within the private sector, financing its productions without any federal subsidy and existing solely on box office receipts and contributions.

The 1977 goal of the Corporate Fund for the Performing Arts is to raise \$1 million in corporate contributions to help maintain these activities of the Kennedy Center. As you know, Mrs. Carter is Honorary Chairman of the Kennedy Center.

2. Participants are board members of the Fund and their spouses. The Chairman of the Fund is Donald S. MacNaughton, Chairman of Prudential Insurance Company. Rogers Stevens will also be present.

3. Full press coverage.

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for Preservation Purposes**

X

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON *Ep*

DATE: 19 May 1977

SUBJECT: RECEPTION - Corporate Fund for the Performing Arts  
at Kennedy Center

Monday, 23 May 1977

5:00 P.M.

Rose Garden

PROPOSED SCENARIO

5:00 P.M. All guests arrive Rose Garden via Southwest Gate. Wine, cheese, and fruit service will be in operation.

5:05 P.M. The PRESIDENT and MRS. CARTER enter Rose Garden from Oval Office and pause at top of stairs for remarks.

Possible response to remarks - pending.  
Roger Stevens.

Following remarks, the PRESIDENT and MRS. CARTER descend steps and pause. Receiving line will be at foot of steps.

Following receiving line, the PRESIDENT and MRS. CARTER mix-and-mingle.

5:30 P.M. The PRESIDENT and MRS. CARTER depart Rose Garden.

6:00 P.M. All guests depart Rose Garden. Busses will be called up to Garden for loading.

NOTE: Following the reception at the White House, the guests are departing for the Kennedy Center to attend a preview performance of the Stuttgart Ballet.

In case of inclement weather, the reception will be held in the East Room.



*The Corporate Fund  
for the Performing Arts  
at Kennedy Center*

***A commitment  
to excellence  
in the performing arts  
in the Nation's capital***

To access this bound volume in its entirety please  
contact the Jimmy Carter Library.

PRO - ARTE QUARTET

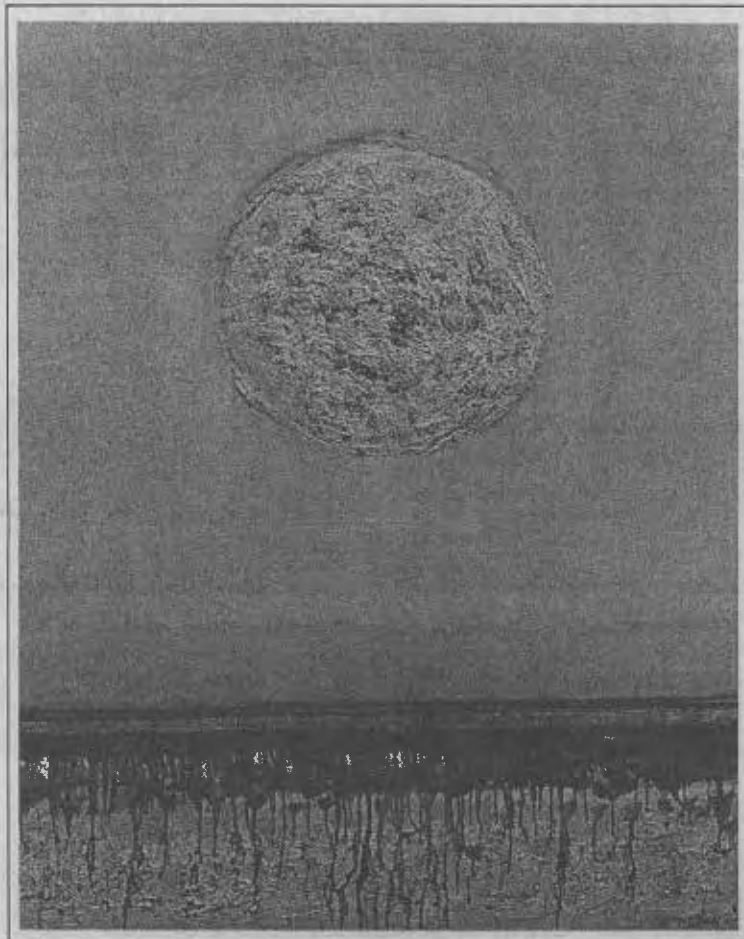
String Quartet in Residence  
University of Georgia

will provide background music  
during the reception for the  
Corporate Fund for the Performing  
Arts at Kennedy Center

Information following



# **AMERICAN PRO-ART QUARTET**



# **OF THE UNIVERSITY OF GEORGIA**

To access this bound volume in its entirety please contact the Jimmy Carter Library.

FALLOWS TALKING POINTS



THE WHITE HOUSE

WASHINGTON

May 21, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: JIM FALLOWS *JP*  
SUBJECT: Reception for Corporate Fund  
for the Performing Arts at  
the Kennedy Center

You might wish to make some of the following points which Griffin Smith has prepared for your Rose Garden talk:

BACKGROUND

- The Center finances its performances without government subsidy. (The Park Service pays the cost of operating the building as a "presidential memorial.")
- The Corporate Fund for the Performing Arts at Kennedy Center is intended to provide \$1 million for the support of six separate projects. These are:
  - a laboratory stage for musical theater tryouts (\$200,000);
  - theater programs for children (\$200,000);
  - a new Commission "to expand the Center's involvement with black Americans and encourage black ... participation everywhere" (\$150,000);
  - a Christmas musical festival (\$75,000);
  - development of new artistic talent (\$250,000);
  - a library (\$100,000).

The Fund is a one-year effort, but the sponsors hope it will become permanent. To date more than \$500,000 has been raised.

1. ACKNOWLEDGEMENTS. You have been requested to give special thanks to Donald S. MacNaughton, Chairman of Prudential. He is more than the Chairman of the Fund: he was instrumental in setting it up. After Roger Stevens approached him with the initial concept, he promoted it enthusiastically and personally brought together his colleagues who serve as vice-chairmen.



2. CORPORATIONS AND THE ARTS. Our society has, of course, a long-standing tradition of private philanthropic support for the arts. The significance of the Fund is that it is a major corporate philanthropic effort, and that it is national in scope. It is a sign that corporations are recognizing, on a very large scale, the important position of the arts in society, and that they are helping to do for the national capital what they are already doing in their home communities. You might express the hope that corporations will become even more involved -- or as Joan Mondale recently said, that corporate support for the arts will become as pervasive as its support for, say, Little League baseball teams.

3. YOUTH AND THE ARTS. Part of this money will be spent on childrens' theater programming. The Kennedy Center has been especially active in developing programs for children, including free shows. In your campaign statement on the arts you said that education of young people to be sensitive to the arts and humanities was "most important of all," since they will provide the "long-term base of support and appreciation."

4. ELITISM. You might reiterate your desire both to encourage quality in the arts and to discourage elitism. This principle can be applied to the Kennedy Center not, as some have suggested, by emphasizing popular culture at the expense of opera, classical music, drama and the other enduring forms of art which it was designed to house and to nourish, but by making the Center more accessible to those who do not now share in these things. Rather than setting great works of art aside in the hope of finding something else with more immediate popular appeal, we should work to encourage more of our people to participate in them and to value them. The Kennedy Center -- by sponsoring more than 1500 free events last year, by making some tickets available at half price, and by giving attention to children's programs -- has helped foster an interest in the arts among people who had not been exposed to them or could not afford to enjoy them.

5. CHARITABLE TAX DEDUCTION. Although some members of your audience might not wish to be reminded that the Tax Code helped stimulate their generosity, you may wish to comment on the future of the charitable deduction anyway. Treasury officials who are working on this suggest you might say: Every provision of the Tax Code is being re-examined, but you do not foresee any changes that would seriously alter this provision. You are aware of the importance of tax laws in helping to generate private financial support for the arts, and you want a new code that will still encourage that kind of giving.

THE WHITE HOUSE  
WASHINGTON

May 23, 1977

Stu Eizenstat  
Bert Lance

For your information the attached letter was signed by the President and given to Les Frances to handle delivery to Congressman Delaney.

Rick Hutcheson

Re: Minish Bill on Renegotiation  
Board (H.R. 5959)



THE WHITE HOUSE

WASHINGTON

May 23, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM:

FRANK MOORE *FM*

SUBJECT:

Minish Bill on Renegotiation  
Board (H.R. 5959)

Due to some confusion on the Hill regarding the Administration's position on the Minish bill (confusion which resulted from negative rumblings in OMB and Defense), we have prepared this letter to Chairman Delaney of the House Rules Committee.

NOTE: Attached letter has  
been cleared with OMB and  
Stu's office.

-----Rick

THE WHITE HOUSE

WASHINGTON

May 23, 1977

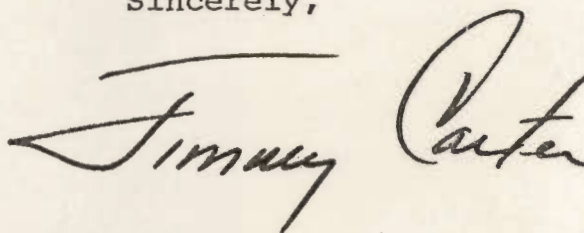
To Chairman Delaney

I understand your Committee will consider H.R. 5959 in the near future. In order to clarify any possible misunderstanding of my position, I want to restate my strong support for this bill.

I believe that the renegotiation process needs strengthening and streamlining. H.R. 5959 makes a major contribution to these goals, most importantly in its exemptions for small businesses.

I urge you to move forward to help pass this important legislation.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J", and the last name "Carter" follows in a similar cursive script.

The Honorable James J. Delaney  
House of Representatives  
Washington, D.C. 20515

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

May 23, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Retail Interest Rates  
(Prepared At Your Request)

You asked me to inquire into the practice whereby most businesses charge a fixed interest rate of 18% on their retail accounts without regard to changes in the underlying cost of money. I have discussed this with CEA, the Anti-trust Division of the Justice Department, and the Senate Banking Committee and can report as follows:

1. Interest rates on retail charge accounts are regulated by state law. The maximum permissible rate varies from state to state with a 1-1/2% per month (or 18% per year) ceiling being most common.
2. Most businesses charge the maximum allowable under state law -- although the method of computing the interest charges, which can change the effective interest cost, varies among the major retailers.
3. Although there are apparently no hard statistics, people knowledgeable in the field indicate that these interest rates have remained relatively unchanged for the past 8-10 years.
4. The practice of charging the maximum rate permitted by law and not changing that rate over time can be explained by several factors:
  - (a) Most businesses treat retail charge accounts as a sales tool as much or more than as a profit item. Also, the principal item of expense in retail accounts is not the cost of money but the costs of administering, servicing, and collecting these accounts. Accordingly, the interest rate on retail accounts is not comparable

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to the rate on bank loans and should not be expected to vary with changes in the cost of money.

(b) Since consumers who buy on credit regard retail charge accounts as an accommodation and apparently do not consider the interest cost as a major factor in their purchase decisions, there is little pressure on businesses to charge less than the maximum rate allowed by law.

5. The Antitrust Division informs us that absent an active or tacit conspiracy by businesses to charge the same interest rate, there is no violation of the antitrust laws. Unilateral decisions to charge the maximum permissible interest rate -- which make good sense from the point of view of individual businesses -- do not amount to a violation of the law.
6. CEA informs us that consumer credit analysts generally do not feel that present rates of interest on retail accounts are exorbitant. The Senate Banking Committee confirms that judgment. Lowering these interest rates would probably cause retailers to either reduce the amount of their charge account business (probably rationing credit to the most creditworthy purchasers) or make up for the lost interest by increasing the price of their merchandise.
7. Federal statutes already require full disclosure of the interest rate and method of computation on retail accounts.
8. Basically, this is a matter for state legislatures -- they can investigate to see if businesses are making "excessive" profits on their charge accounts and lower the statutory ceilings if that is appropriate.

Other than call attention to the issue -- which may not really be a "problem" in any case -- there seems to be little you can effectively accomplish here.

THE WHITE HOUSE  
WASHINGTON

May 23, 1977

Stu Eizenstat -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Bob Lipshutz  
Jack Watson  
Frank Moore

Re: Administration Position on  
Extent of Lobby Law Coverage

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI		
		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
	X	EIZENSTAT	CAB DECISION
		JORDAN	EXECUTIVE ORDER
	X	LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
		POWELL	48 hours; due to
	X	WATSON	Staff Secretary
			next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE



THE WHITE HOUSE  
WASHINGTON

Mr. President:

Jack Watson concurs.

Rick (wds)

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

May 18, 1977

C  
1

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*  
STEVE SIMMONS *SS*

SUBJECT:

Administration Position on  
Extent of Lobby Law Coverage

BACKGROUND

Deputy Attorney General Flaherty recently testified on behalf of the Administration at House hearings on lobbying disclosure and registration bills. Prior to that testimony, you indicated in a Decision Memorandum to us that no Administration position should be stated "yet" on whether solicitation of others to write Congress through letter campaigns, newspapers, etc. should require an organization to register as a lobbyist. Your guidance is now needed on what position to take with respect to this question.

I. Should Soliciting of Support Through Letter Campaigns, Newspaper Ads, etc., Require Lobbying Registration?

As part of the reporting requirements under the main bill, lobbying organizations must describe any efforts on their part to convince other parties to communicate directly with Congress. However, if such solicitation efforts are made by an organization which does no other type of lobbying, the bill does not require reporting of those solicitation efforts. Thus, a group formed only to place ads in support of legislation would not report; a group which also lobbies and places the same ads would report its expenses for the ads.

In the campaign "Code of Ethics" you supported a lobbying law which would "cover those who solicit others to lobby," but you did not address the question of whether solicitation through ads or letters should alone be enough to require disclosure.

There's no consensus on this question. A Senate bill is being pushed similar to one which passed the Senate last year requiring reporting for any organization which spends \$5000 per three month period on independent solicitation with respect to one issue. Common Cause supports this provision, but does not feel adamant about it. Justice supports solicitation as an independent reporting trigger. Business, the ACLU, Ralph Nader's group, environmental groups, as well as most House members strongly oppose solicitation as an independent reporting trigger.

The main argument supporting an independent solicitation trigger is that the solicitation efforts of an organization can have enormous impact on legislation. Thousands of letters might be generated to Congress by ads in daily newspapers or by a letter writing campaign. It is argued that under the spirit of lobbying disclosure such a "loop-hole" should not exist, and these massive efforts should be reported. The main arguments against a separate reporting requirement are:

- (a) It could "chill" political expression, cause a court challenge as being unconstitutional, and generate needless paperwork.
- (b) Any small business or other small organization which wanted to take out a one page ad in a major newspaper such as the New York Times urging fellow citizens to write Congress about an issue would have to register in Washington as a "lobbyist" under the \$5,000 or even a \$10,000 threshold.
- (c) Since organizations which must report because of their other lobbying activities would be required to report solicitation efforts, solicitation efforts by any large organization very probably would be reported regardless of whether there is an independent solicitation threshold.
- (d) Massive solicitation efforts are more open and obvious and do not involve the kind of back room lobbying of critical concern.
- (e) In solicitation efforts an individual citizen freely chooses to write Congress after reading an ad, etc. and the soliciting organization does not contact Congress directly.



An intermediate position would be a high cost solicitation threshold such as \$25,000 per issue per three month period. Justice has indicated it could support such a position.

Decision

Oppose solicitation as an independent threshold

✓ (Recommended)

Support \$25,000 threshold

\_\_\_\_\_

Support \$5,000 threshold

\_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

Date: May 20, 1977

MEMORANDUM

FOR ACTION:

The Vice President  
Midge Costanza  
Hamilton Jordan  
- Bob Lipshutz  
- Frank Moore  
- Jack Watson *concur*

FOR INFORMATION:

*Call Simmons on  
Wednesday*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat/Steve Simmons memo 5/18 re  
Administration Position on Extent of Lobby  
Law Coverage.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: ~~MONDAY~~ *SAT*

DATE: MAY 23, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*send in reply  
get TSC comment?*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

*Adm. Asst. to President  
Pres. Sec'y  
Staff Sec'y*

ACTION	FYI
X	
X	
X	
X	
X	
X	

MONDALE
COSTANZA
EIZENSTAT
JORDAN
LIPSHUTZ
MOORE
POWELL
WATSON

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE



THE WHITE HOUSE

WASHINGTON

May 18, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*  
STEVE SIMMONS *SS*

SUBJECT:

Administration Position on  
Extent of Lobby Law Coverage

BACKGROUND

Deputy Attorney General Flaherty recently testified on behalf of the Administration at House hearings on lobbying disclosure and registration bills. Prior to that testimony, you indicated in a Decision Memorandum to us that no Administration position should be stated "yet" on whether solicitation of others to write Congress through letter campaigns, newspapers, etc. should require an organization to register as a lobbyist. Your guidance is now needed on what position to take with respect to this question.

I. Should Soliciting of Support Through Letter Campaigns, Newspaper Ads, etc., Require Lobbying Registration?

As part of the reporting requirements under the main bill, lobbying organizations must describe any efforts on their part to convince other parties to communicate directly with Congress. However, if such solicitation efforts are made by an organization which does no other type of lobbying, the bill does not require reporting of those solicitation efforts. Thus, a group formed only to place ads in support of legislation would not report; a group which also lobbies and places the same ads would report its expenses for the ads.

In the campaign "Code of Ethics" you supported a lobbying law which would "cover those who solicit others to lobby," but you did not address the question of whether solicitation through ads or letters should alone be enough to require disclosure.

There's no consensus on this question. A Senate bill is being pushed similar to one which passed the Senate last year requiring reporting for any organization which spends \$5000 per three month period on independent solicitation with respect to one issue. Common Cause supports this provision, but does not feel adamant about it. Justice supports solicitation as an independent reporting trigger. Business, the ACLU, Ralph Nader's group, environmental groups, as well as most House members strongly oppose solicitation as an independent reporting trigger.

The main argument supporting an independent solicitation trigger is that the solicitation efforts of an organization can have enormous impact on legislation. Thousands of letters might be generated to Congress by ads in daily newspapers or by a letter writing campaign. It is argued that under the spirit of lobbying disclosure such a "loop-hole" should not exist, and these massive efforts should be reported. The main arguments against a separate reporting requirement are:

- (a) It could "chill" political expression, cause a court challenge as being unconstitutional, and generate needless paperwork.
- (b) Any small business or other small organization which wanted to take out a one page ad in a major newspaper such as the New York Times urging fellow citizens to write Congress about an issue would have to register in Washington as a "lobbyist" under the \$5,000 or even a \$10,000 threshold.
- (c) Since organizations which must report because of their other lobbying activities would be required to report solicitation efforts, solicitation efforts by any large organization very probably would be reported regardless of whether there is an independent solicitation threshold.
- (d) Massive solicitation efforts are more open and obvious and do not involve the kind of back room lobbying of critical concern.
- (e) In solicitation efforts an individual citizen freely chooses to write Congress after reading an ad, etc. and the soliciting organization does not contact Congress directly.



An intermediate position would be a high cost solicitation threshold such as \$25,000 per issue per three month period. Justice has indicated it could support such a position.

Decision

Oppose solicitation as an independent threshold

\_\_\_\_\_ (Recommended)

Support \$25,000 threshold

\_\_\_\_\_

Support \$5,000 threshold

\_\_\_\_\_



THE WHITE HOUSE  
WASHINGTON

May 23, 1977

Z. Brzezinski  
Mark Siegel

The attached was returned in  
the President's outbox and is  
forwarded to you for your  
information.

Rick Hutcheson

Re: Israel Election & Related  
Matters

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI		
		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
		EIZENSTAT	CAB DECISION
		JORDAN	EXECUTIVE ORDER
		LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
		POWELL	48 hours; due to
		WATSON	Staff Secretary
			next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE		LANCE
X	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP		POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN	X	SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

May 23, 1977

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MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ

*RL*

SUBJECT: Israel Election and Related Matters

During the past few days since the results of the Israeli election were known, I have sought out and received a good bit of information and opinion.

Among the persons with whom I have talked are an independent Israeli journalist and a highly respected former top member of the Israeli military establishment who is politically astute but not associated at this time either with the existing Labor Government or the projected Likud Government.

I also spoke before the annual meeting of the United Jewish Appeal top leadership this past Saturday, and exchanged ideas for more than two hours. Although we exchanged many ideas, particularly with regard to the Middle East, I placed the most emphasis on the importance of American Jewish leaders becoming very active and positive in expressing their opinions and giving their advice to the leaders and people of Israel.

Perhaps the most interesting suggestion made relating to Mr. Begin was the following: Apparently, he has very strong convictions concerning some of the public positions which he has taken, particularly with reference to the manner of peace negotiations and essential issues, but nevertheless, he also apparently is extremely rational. He is extremely sensitive to American attitudes and believes at this time that he can "convince" you and your Administration, as well as the Congress and American public, that his assessment of the situation in the Middle East and his ideas about resolving the problems are correct, once he gets the opportunity to convey his ideas and present his case to you and the Congress and the American people.

**Electrostatic Copy Made  
for Preservation Purposes**



On the other hand, if he were dissuaded from such a belief (by becoming aware of the importance which not only you but also the leaders of Congress and the majority of the American people feel about the course of action which we have undertaken), he might well be dissuaded from his original convictions. It has been suggested that, before he actually comes to Washington to confer with you, the overriding American attitude should be clearly conveyed to him by a source in which he would have confidence as being reliable and unbiased, but friendly. It was suggested that such a message not be conveyed either by representatives of the Executive Department nor by leaders of the American Jewish community but instead by someone else who was clearly identified as a proven friend of Israel; as examples, Senators Humphrey, Jackson, Church, et al., were mentioned.

I would suggest that this idea be given careful and thorough consideration.

Secondly, with reference to the question of sovereignty over "the West Bank, etc.", the following idea was propounded. Both the Palestinian leadership and Mr. Begin have insisted in their public declarations that Arabs and Israelis could live together in peace within the same country, each of course, however, insisting that the majority and therefore the political control must be in its people. Based upon this "common position", it might be possible for the parties to negotiate a territorial agreement whereby a significant number of Arabs would remain and perhaps even increase as citizens of Israel, but also that a significant number of Israelis would become citizens of an Arab controlled nation which would include Samaria and Judea. I recognize that this apparently simplistic idea involves many problems but suggest that it is worth careful consideration.

A third idea which was put forth relates to the possibility of the United States becoming more formally committed to the preservation of whatever agreements are finally arrived at by the parties, an idea to which I am sure many people have already given a great deal of consideration.